GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Proposal of M/s. Sugna Sponge Power Private Limited for establishment of an Integrated Steel Plant at Tadipatri Mandal, Anantapur District, with an investment of INR 1,247 Cr and employment potential for 1,100 persons - Extending certain special package of incentives- Orders - Issued.

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INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 209 Dated: 12-11-2025

Read the following:

1. Proposal of M/s Sugna Sponge Power Private Limited
2. Minutes of the 16th State Investment Promotion Committee meeting held on 04.11.2025.
3. Minutes of the 12th State Investment Promotion Board meeting held on 07.11.2025.

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ORDER:

In the reference 1st read above, M/s. Sugna Sponge Power Private Limited have proposed for establishment of Integrated Steel Plant at Tadipatri Mandal, Anantapur District, with an investment of INR 1,247 Cr and employment potential for 1,100 persons. The facility will manufacture Sponge Iron, Steel Billets, TMT Bars & Captive Power. Sugna Sponge & Power Private Limited is a key entity of the Sugna Group. The group has a strong legacy in iron and steel production through its flagship company, Sugna Metals Limited, which operates a 0.40 MTPA billet and TMT bar facility.

2. The details of the project are given as below:-

Type of Unit	**Greenfield Integrated Steel Manufacturing Plant**		
Products	TMT Bars, Sponge Iron(DRI), Steel Billets		
	Phase-I	**Phase-II**	**Total**
Investment (INR Cr.)	591	656	**1,247**
Employment (Direct)	550	550	**1,100**
Land Req. (in acres)	175	133	**308**
DCP	Oct-2026	Oct-2028	
Production Capacity	0.66 MTPA		
DRI Unit	650 TPD	650 TPD	**1300 TPD**
SMS Furnace	90 MT	90 MT	**180 MT**
Rolling Mill	1,000 TPD	1,200 TPD	**2,200 TPD**
Captive Power	30 MW	30 MW	**60 MW**
Location	Tadipatri Mandal, Anantapur District, Andhra Pradesh Company and promoters hold 171.63 acres and requested for about 136.22 acres		

3. M/s. Sugna Sponge Power Private Limited have requested for allotment of land and tailor-made incentives for establishment of Integrated Steel Plant in Tadipatri Mandal, Anantapur District, with an investment of INR 1,247 Cr and employment potential for 1,100 persons.

4. The District Administration sent a feasibility that out of the 136.22 acres (including plant area, ~60 Acs for RoW for railway siding & ~8-10 Acs for water pipeline) as requested by the firm, net area that can be alienated, duly excluding the water body type of lands is about 86.92 Ac. On this, the APIIC remarked that as per DPR, 34 acres (including 5 acres earmarked for the water storage area) will suffice the land requirement for manufacturing facility and balance extent can be allotted for development of railway siding facility and additionally, 8-10 acre is required for RoW of external pipeline. In the event that any water bodies fall within the allocated land area, their natural course shall remain undisturbed.

5. Accordingly, the proposal was placed before the State Investment Promotion Board (SIPB) meeting held on 07.11.2025 with recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 04.11.2025. The SIPB after detailed discussion, has recommended the proposal of M/s. Sugna Sponge Power Private Limited for establishment of Integrated Steel Plant at Tadipatri Mandal, Anantapur District, with an investment of INR 1,247 Cr and employment potential for 1,100 persons.

6. Government, after careful consideration of the decision of the State Investment Promotion Board, hereby allotment of land and other tailor-made incentives to M/s. Sugna Sponge Power Private Limited for establishment of Integrated Steel Plant at Tadipatri Mandal, Anantapur District with an investment of INR 1,247 Cr and employment potential for 1,100 persons and provided the following:-

a. Approval for exemption of the proposed project from the 'List of Ineligible Industries' under 'AP Industrial Development Policy (4.0) 2024-29'.
b. APIIC shall facilitate the allotment of 86.92 acres of land for the establishment of an Integrated TMT Bar Manufacturing Plant, along with additional land required for a railway siding facility and for laying an external water pipeline and these alllotments will be made under the 'Land Acquisition for Others' route, subject to site feasibility and on an actual cost basis.
c. Facilitation of external infrastructure such as Railway siding (Railway line is passing at a distance of around 300 Mts to the proposed land and the company to lay Railway siding at their own cost), water supply (Water source available at Penna River at a distance of 18 KM to the proposed land & the company to lay water pipeline from source at its own cost) and power supply (the nearest 440/ 220 kv Substation located at Talari village at a distance of approximately 10 km. The unit shall approach APTRANSCO for obtaining necessary power supply and the erection of 220 KV line from 400 KV substation)
d. Grant of following tailor-made incentives, up to 50.0% of the Fixed Capital Investment of the project contingent upon completion of Fixed Capital Investment of INR 1,247 Crore, by October 2028, under 'AP Industrial Development Policy (4.0) 2024-29' and on par with the extension of tailor-

made incentives to the similar investment in the State, as below:-

i. 30% investment subsidy on Eligible Fixed Capital Investment (INR 820 Cr), limited to INR 246 Crore, to be disbursed over a period of 10 years from DCP.

ii. Employment creation subsidy of 8% of Eligible Fixed Capital Investment (E/I ratio>1), limited to INR 65.60 Crore, to be disbursed over a period of 9 years from DCP.

iii. 100% Net SGST Reimbursement for 5 years, limited to INR 260.41 Crore.

iv. 100% reimbursement of stamp duty and transfer duty, on actual cost basis.

7. The Special Chief Secretary/Principal Secretary/Secretary of the concerned departments such as Energy Deptt., Water Resources Department, Industry and Commerce (CIP), Skill Development Department, Revenue (Land, Registration and Stamps), Finance Department and other departments concerned are requested to take further necessary action accordingly, duly instructing their HODs and PSUs under them for expeditious grounding and implementation of the project.

8. The Vice Chairman & Managing Directing, Andhra Pradesh Industrial Infrastructure Corporation Limited, Mangalagiri and the Director of Industries, Andhra Pradesh shall take further necessary action accordingly in coordination with the line Departments.

9. As envisaged under the Andhra Pradesh Industrial development Policy (4.0) 2024-29, the Director of Industries shall assign the handholding for facilitations of all the inputs as required for expeditious grounding and implementation of this project to a senior level officer and should try to ensure that the project is implemented as per the expected timelines, duly facilitating the required approvals and clearances under the Single Desk Portal 2.0 and duly implementing the project as per the intended spirit of the Speed of Doing Business.

10. The Director of Industries, A.P., Mangalagiri should ensure that the PMU with the Department monitors the progress of the project, duly bringing the issues that are to be resolved, to the respective line departments, from time to time and resolve the issues and intimate the status of the progress of the project to the Government from time to time and bring the issues for resolution at the government end, if any, for smooth execution of the project.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N YUVARAJ
SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri.
The Director of Industries, A.P., Mangalagiri.
The CEO, APEDB, Mangalagiri
The Sugna Sponge Power Private Limited.
The Special CS/Principal Secretary/Secretary of the concerned department viz,

The Revenue (Land, Registration and Stamps) Department,
The Finance Department,
The PR&RD Department,
The MA&UD Department,
The EFS&T Department,
The Energy Department,
The Water Resource Department,
The Roads and Buildings Department,
The Skill Development Department,
The Infrastructure and Investment Department,
The Industry and Commerce (Mines-III) Department
The Collector & District Magistrate, Anantapur District.

Copy to:

The Finance (FMU-I&I, Energy and I&C) Department.
The Revenue (CT) Department.
The Law (H) Department
The Accountant General, Andhra Pradesh.
The Chief Commissioner of Taxes.
The P.S. to Secretary to Hon'ble Chief Minister.
The P.S. to Hon'ble Minister (Ind. &Comm. Food Processing).
The P.S. to Chief Secretary to Government of Andhra Pradesh.
The P.S. to Secretary to Government & CIP, Industries& Commerce Department.
The G.A. (Cabinet.I) Department w.r.t. the Council Resolution No.499/2025, Dt:10.11.2025.
SC/SF. (Comp.No. 3031284)

//FORWARDED::BY ORDER//

SECTION OFFICER